

# Idaho Hire One Tax Credit

Governor Otter's Hire One Tax Credit is designed to jump-start Idaho's economy by rewarding employers who create new jobs. Learn more at [hireone.idaho.gov](http://hireone.idaho.gov).

- ☐ The Idaho Hire One Tax Credit - introduced by the governor and passed during the 2011 legislative session - is a sliding-scale income tax credit for employers. The credit is based on an employer's unemployment insurance tax rating and the county unemployment rate where the new job is located and performed. The credit went into effect for employers who hire new employees on or after April 15, 2011 and no later than March 31, 2013.
- ☐ Employers qualify for the credit when they pay \$12 an hour or more plus benefits for jobs created and performed in counties with an annual average unemployment rate of at least 10 percent and \$15 an hour or more plus benefits in counties with lower rates. Applicable 2010 county unemployment rates can be found on the reverse side of this fact sheet.
- ☐ To qualify, employers must provide group health care coverage that includes hospital, medical and surgical expense coverage and pay at least 80 percent of the premium for single coverage and 70 percent for family coverage. Further details are available from the Idaho State Tax Commission at (208) 334-7660 or (800) 972-7660.
- ☐ Any employee hired during the timeframe the credit remains in effect must work for nine consecutive months before the employer can claim the tax credit. Qualifying employers will receive a tax credit for the gross wages paid during the first 12 months of employment. The credit is claimed on an income tax return filed by the employer for the tax year during which the new hire became qualified for the credit.
- ☐ Determining whether an employer actually hired new workers will be based on an employee count for the year the credit is claimed minus A) the employee count for the previous year or B) the average of the employee counts for the two previous years. If the resulting number is higher, a credit is authorized for the difference. If the count is the same or lower, there is no credit.
- ☐ Employers who pay the qualifying wages and have a positive unemployment insurance tax rating stand to receive a higher credit. Positive-rated employers are eligible for 6 percent of gross wages. Standard-rated employers would receive 4 percent. Negative rated employers receive 2 percent.
- ☐ Employers are advised of their rating in mid-December of the preceding year through their unemployment insurance tax notices and on the quarterly tax statements sent to employers by the Idaho Department of Labor. This evidence of rating must be included with the employer's tax return for the year the credit is claimed.
- ☐ Analysts estimate the tax credit will generate \$25.3 million in new tax revenue, which will offset its \$7.6 million annual cost to the general fund.
- ☐ Employer questions about specific income taxes or individual hiring scenarios should be referred to their accountants or Idaho State Tax Commission – Taxpayer Services - at (208) 334-7660 or (800) 972-7660.



## Idaho 2010 County Unemployment Rates

### 2010 ANNUAL AVERAGE LABOR FORCE DATA

COUNTY	% UNEMP
ADA	8.9
ADAMS	17.2
BANNOCK	8.5
BEAR LAKE	6.6
BENEWAH	14.0
BINGHAM	7.4
BLAINE	9.6
BOISE	10.0
BONNER	12.8
BONNEVILLE	7.0
BOUNDARY	15.6
BUTTE	6.5
CAMAS	12.7
CANYON	11.4
CARIBOU	8.0
CASSIA	7.1
CLARK	9.0
CLEARWATER	15.6
CUSTER	7.4
ELMORE	9.3
FRANKLIN	5.8
FREMONT	10.1
GEM	11.8
GOODING	7.1
IDAHO	11.6
JEFFERSON	7.7
JEROME	8.6
KOOTENAI	10.9
LATAH	7.8
LEMHI	10.5
LEWIS	6.3
LINCOLN	13.5
MADISON	6.6
MINIDOKA	7.8
NEZ PERCE	7.3
ONEIDA	5.3
OWYHEE	5.2
PAYETTE	9.7
POWER	10.0
SHOSHONE	15.1
TETON	7.9
TWIN FALLS	8.4
VALLEY	16.3
WASHINGTON	10.7